

m/037/012

**ENERGY FUELS NUCLEAR, INC.**

1515 Arapahoe Street, Suite 900  
Denver, Colorado 80202

Telephone (303) 623-8317  
Facsimile (303) 595-0930

**FAX COVER SHEET**

To: Patrick O'Hara, Esq.  
Of: Utah Board of Oil, Gas & Mining

FAX NUMBER TRANSMITTED TO: (801) 359-3940

From: Rich A. Munson

Matter: Permitting Memo

Date: March 17, 1997

**DOCUMENTS:**

**NUMBER OF PAGES**  
(not counting this cover sheet)

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**COMMENTS:**

- ☐ Original will not follow
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- ☐ Response needed by:
- ☐ For your approval/suggestions

Other message: Patrick: Per our conversation last week, attached please find the Memo I referenced which has been utilized to provide regulatory agencies with a quick overview of the current status of the sales transaction as well as the mechanics of our requested method of transfer of permits/licenses. We will keep you advised of the progress of the transaction and please call if there are any questions.

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of this condition, the permits and licenses can be effectively transferred at the closing by delivery of the requisite financial sureties to the appropriate agencies.

We understand that we must take the actions necessary to initiate the permit and license transfers and also provide to the proper divisions of the particular agency the proposed financial surety forms, be they corporate surety bonds or letters of credit. We also understand that EFNI and IUC must comply with all other appropriate requirements of each agency for transfer of the permits and licenses.

Energy Fuels personnel are involved in a variety of tasks associated with the closing and transition to IUC. Harold Roberts is assisting IUH/IUC in tasks which require Harold to be traveling extensively over the next three weeks. While Harold is in daily telephonic contact with the Denver and field offices, other individuals at the various offices of Energy Fuels are available for questions or comments.

Contact points at EFNI (Denver):

Rich A. Munson	Corporate Counsel	(303) 899-4469
Michelle R. Rehmann	Environmental Manager	(303) 899-5647
Terry V. Wetz	Project Manager	(303) 899-5649
Vicki L. Hoffsetz	Land Administrator	(303) 899-5632

The general phone number at EFNI (Denver) is (303) 623-8317 and the facsimile number is (303) 595-0930.

Contact point at EFNI (Blanding - White Mesa Mill):

William N. Deal	Mill Superintendent	(801) 678-2221
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The facsimile number at EFNI (Blanding) is (801) 678-2224.

Contact point at EFNI (Grand Junction):

Rick A. Van Horn	Manager - Mine Operations Colorado Plateau	(970) 243-1968.
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The facsimile number at Grand Junction is (970) 243-1973.

Contact points at EFNI (Fredonia):

Roger B. Smith	Manager - Mine Operations Arizona Strip	(520) 643-7321
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The facsimile number at Fredonia is (520) 643-7328.

### ADDENDUM TO PERMIT TRANSFER REQUEST

This Addendum to Permit Transfer Request describes (i) the current status of the bankruptcy proceedings in which affiliates of Energy Fuels Nuclear, Inc. ("EFNI") have been involved and (ii) the impending sale of the mining properties operated by EFNI. As previously reported by EFNI, Energy Fuels, Ltd. ("EFL"), and Energy Fuels Exploration Company ("EFEX") filed voluntary petitions for bankruptcy in the United States Bankruptcy Court for the District of Colorado (the "Bankruptcy Court") in February of 1995. The bankruptcy filings were part of a larger bankruptcy case involving Oren L. Benton. EFNI did not file a bankruptcy petition and has maintained its operations during the bankruptcy process. EFL, EFEX and EFNI are collectively referred to herein as the "Energy Fuels Companies".

In 1996, the mining assets of EFL and EFEX were offered for sale in the bankruptcy proceedings. After an extended due diligence and bidding process, a successful bidder was selected and a purchase agreement was entered into between the Energy Fuels Companies and International Uranium Holdings Corporation ("IUH"). EFNI is a party to the purchase agreement since it has acted as the operator of the mining properties that are being sold to IUH. The terms and conditions of the purchase agreement have been approved by an Order of the Bankruptcy Court (the "Sale Order").

Pursuant to the terms of the purchase agreement and Sale Order, EFNI is obligated to initiate the transfer of the various permits and licenses it holds to International Uranium (USA) Corporation ("IUC"). IUC is a subsidiary of the purchaser of the assets, IUH. IUC will operate the mining properties for IUH and its subsidiaries and in the course of such operations will be the permittee/licensee. Relevant information concerning IUC is included in the necessary transfer forms.

Under the terms of the purchase agreement, IUH has committed to offer employment with IUC to all current employees of EFNI. All the parties to the sales transaction believe that this will greatly facilitate the transition of operations between EFNI and IUC.

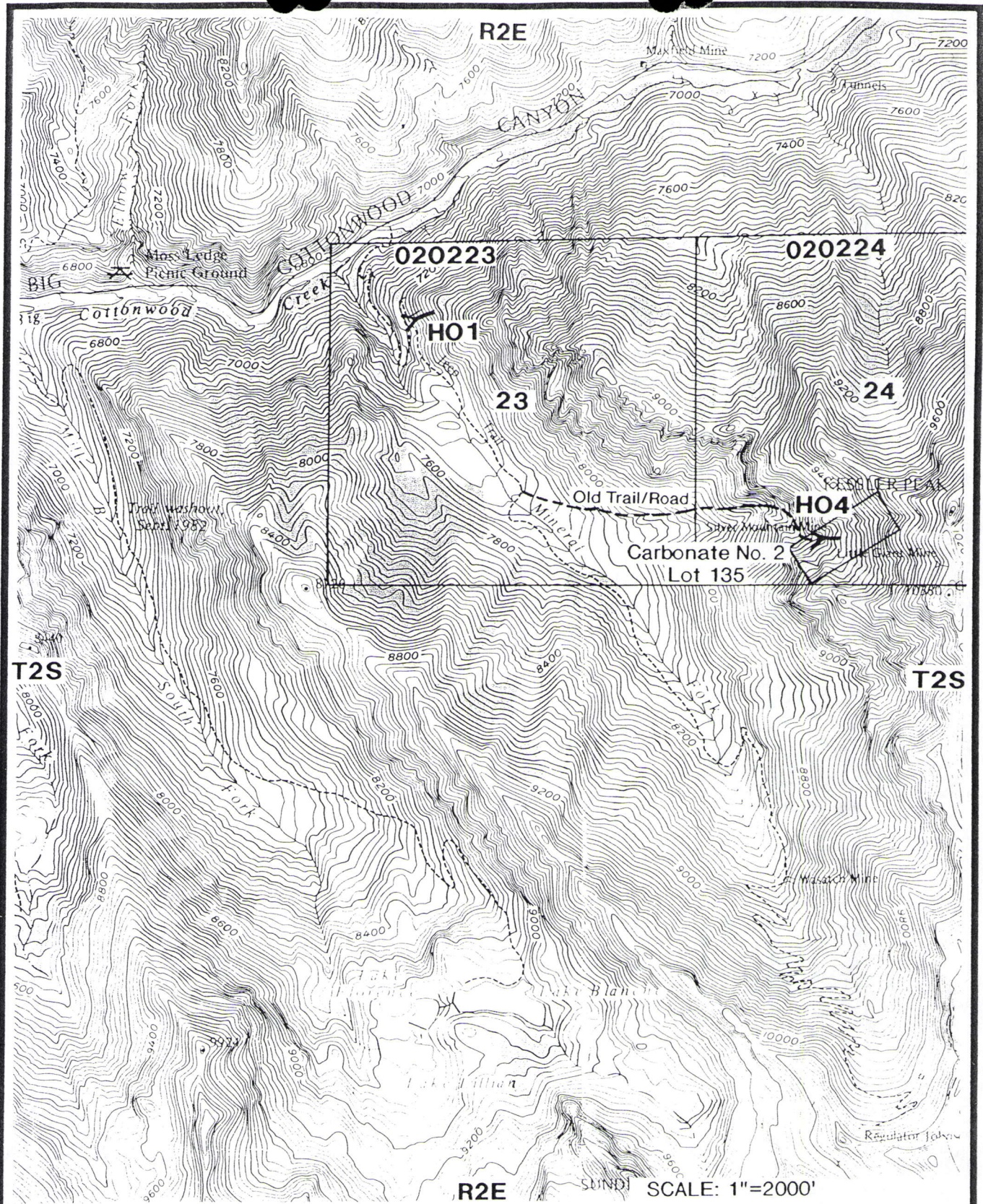
As you might expect, the process of "closing" the sales transaction is very complicated given the requirement that all actions necessary to transfer all properties, permits and other assets from each entity to IUH and IUC occur simultaneously. Additionally, the bankruptcy estates, the bankruptcy Creditors' Committee and a variety of individual creditors must resolve certain claims at the same "closing".

As a part of the closing, permits and licenses for the exploration and mining activities of the Energy Fuels Companies are to be transferred from EFNI to IUC. The timing of the transfer is important since IUH obviously does not want to deliver the purchase price until it has received necessary approvals from the various regulatory agencies to operate the properties and the sellers do not want to end up with the permits and no property.

At the closing, IUH is obligated to post substitute or replacement surety bonds for those permits and licenses now held by EFNI which require financial surety. IUH and IUC are in the process of finalizing a bonding line with a major North American bonding company. In the event the final arrangements have not been made with this company by closing, IUH will cause a major national bank to issue letters of credit to support the permitting/reclamation obligations associated with the various permits and licenses it is acquiring.

As the closing is now structured, we are requesting regulatory agencies to approve permit and license transfers under their normal procedures, but add a condition to the approval of transfer which states that the transfer shall be effective only upon the receipt by the agency of replacement financial assurance in the form previously agreed upon by IUC and the agency. With the addition





SPECTRUM ENGINEERING  
MINING AND CIVIL ENGINEERS

1413 4TH AVE. NORTH  
BILLINGS, MONTANA

DATE: NOVEMBER 21, 1995

DRAWN BY: LNR

APPROVED BY: WCM

REVISIONS		
NO.	DATE	BY

SHEET NO. 1 OF 1

SITE LAYOUT AND RECLAMATION PLAN

MINERAL FORK

SALT LAKE COUNTY, UTAH



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING